

# News Release

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## **Riverside's Water & Energy Utilities Continue To Receive Top Marks from Bond Rating Agencies**

**Riverside, Calif.** – As the beginning to a new fiscal year nears, the City of Riverside's community-owned water and electric utilities company, Riverside Public Utilities (RPU), carries with them the high marks and praise of the nation's top bond ratings agencies.

Earlier this month, Standard & Poor's Ratings Services (S&P) affirmed its 'A-1+' rating on Riverside's series 2011A variable-rate refunding water revenue bonds (index interest rate period) and its 'AAA' long-term rating and underlying rating (SPUR) on the city's previously issued water revenue bonds. The outlook for RPU's water utility remains stable.

In each case, S&P stated that their ratings reflected its view of Riverside's advantageous water supply position and low-cost groundwater sources, very strong and historical and projected debt service coverage, revenue flexibility provided by the city's very competitive rates, and local economic base that has been somewhat resilient. The utility also benefits from owning and operating 53 wells that supply all its customers with all current water needs and the needs for the next 100 years, with no reliance on more costly imported water.

S&P also stated that RPU's stable outlook across the board "reflects our anticipation that Riverside will likely maintain strong finances and low rates, as well as a comprehensive five-year capital plan, with operating margins significantly in excess of covenanted levels."

On the electric side, Fitch Ratings (Fitch) last week affirmed its AA- ratings on RPU's \$103,705,000 in Refunding Electric Revenue Bonds, series 2013, that will be sold via negotiations this week. At the same time, S&P and Fitch affirmed its "AA-" rating on RPU's outstanding electric revenue bonds and stated the rating outlook for the electric utility remains stable.

Bond proceeds will refund certain outstanding obligations issued by the City of Corona in connection with RPU's agreement to buy Corona's Clearwater Cogeneration Project, and a portion of Riverside's outstanding AA- rated series 2008A, 2008C, and 2011A variable-rate bonds and related swap termination payments.

Fitch reported that RPU's service area has seen growth return in 2012, despite a multiyear decline due to weak economic conditions and cooler weather. They also stated that while the recently announced retirement of the San Onofre Nuclear Generation Station (SONGS) removes key baseload and carbon-free resource from RPU's power supply portfolio, management has secured replacement power for most of the lost generation through both short-term contracts, and in the medium and long terms through relatively low-cost purchase power contracts for renewable

energy – like the multi-year geothermal power purchase agreements inked this week with Salton Sea-based CalEnergy that will supply RPU with up to 86 megawatts by 2019. S&P noted that RPU acted prudently in developing contingency plans ahead of the recent announcement, and has already fully funded its proportional share of decommissioning costs.

For additional information about Riverside Public Utilities follow us on Facebook and on Twitter @RPUNews

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Established in 1895, Riverside Public Utilities is a consumer-owned water and electric utility governed by a board of nine community volunteers that provides high quality, reliable services to over 106,000 metered electric customers and up to 64,000 metered water customers throughout the City of Riverside. The Utility is committed to increased use of renewable energy resources and sustainable living practices that help reduce environmental impacts within the City of Riverside and the state of California.

[www.RiversidePublicUtilities.com](http://www.RiversidePublicUtilities.com)

[www.GreenRiverside.com](http://www.GreenRiverside.com)

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